

**FL-04259**

***Camarda, Vincent - Vol.  
I.20210310.316096.MBO-21***

***3/10/2021 9:32 AM***

**Full-size Transcript with Endnotes**

**Prepared by:**

FL-04259

Tuesday, March 30, 2021

1 UNITED STATES SECURITIES AND EXCHANGE COMMISSION

2  
3 In the Matter of: )

4 ) File No. FL-04259-A

5 A.G. MORGAN FINANCIAL )

6 ADVISORS, LLC )

7  
8 WITNESS: Vincent Camarda

9 PAGES: 1 through 126

10 PLACE: Securities and Exchange Commission

11 801 Brickell Avenue

12 Suite 1800

13 Miami, Florida 33131

14 DATE: Wednesday, March 10, 2021

15  
16 The above-entitled matter came on for hearing,  
17 pursuant to notice, at 9:32 a.m.

18  
19  
20  
21  
22  
23  
24 Diversified Reporting Services, Inc.

25 (202) 467-9200

1 answered the phone, it was like a call center, multiple  
2 people.

3 Q And during the time A.G. Morgan was borrowing  
4 funds from CBSG how often did you interact with Mr.  
5 LaForte?

6 A A couple of times, not often. A handful maybe.

7 Q And so going back to the formation of the AGM  
8 funds, you had noted it would be an investment in a  
9 merchant cash advance business. Was that merchant cash  
10 advance business specifically CBSG?

11 A No, it could be anybody. As a matter of fact,  
12 we interviewed a number of merchant cash advance companies  
13 all along the way to potentially invest with other  
14 merchant cash advance companies.

15 Q Okay. What caused you and Mr. McArthur to be  
16 interested in forming funds invested in merchant cash  
17 advance businesses?

18 A Well, we could get our clients a terrific rate  
19 of return.

20 Q And how did you know that?

21 A Well, they offered us an interest rate that was  
22 fantastic and then we could pass that on to our clients so  
23 it was monthly payments. You know, many of my clients are  
24 either close to retirement or already retired, and I've  
25 been a financial advisor for 27 years now so my client

1 base have gotten older. I would actually say most of them  
2 are retired at that point. So getting monthly income is  
3 very interesting to my clients.

4 Q When you said they offered us a great rate, who  
5 are you referring to by they?

6 A So at that point -- well, it was Joe LaForte.  
7 So at that point Joe had said to me, you know, Vin, if you  
8 would like we can set up a fund and your clients can  
9 actually invest in our company, and I said really, he said  
10 yeah, we have people that invest with us and we can give  
11 you a terrific rate of return, and that's how the  
12 conversation started. I had no idea that we could do  
13 that. And so we started discussing it and we decided to  
14 go forward and do it.

15 Q When did that discussion take place?

16 A Late 2018.

17 Q And besides yourself and Mr. LaForte was anyone  
18 involved in that initial discussion?

19 A No, it was a phone call between the two of us.

20 Q And is it accurate to say this discussion with  
21 Mr. LaForte was the cause or, you know, the impetus of the  
22 interest of creating the AGM funds?

23 A Yes, it is, I agree, yes.

24 Q How was it determined how the funds would be  
25 structured and then there would be another entity, a fund

1 fund.

2 Q For any investor who put in money in the AGM  
3 funds other than CBSG was there investments in other  
4 merchant cash advance businesses?

5 A No.

6 Q And during the time that you were working with  
7 CBSG on this investment opportunity other than Mr. LaForte  
8 were you interacting with anyone at CBSG?

9 A Well, the company has a representative, his name  
10 is Perry Abinozio, and 99.9 percent of the time he worked  
11 with Perry.

12 Q And describe what you worked with Perry with  
13 regard to the funds?

14 A Well, he was like our service representative, he  
15 would handle any issues we had, any -- we would talk to  
16 him about everything. You know, he was our go-between I  
17 would say. Is that the right way to say it?

18 Q Is there anyone else that you or Mr. McArthur  
19 were interacting with at CBSG?

20 A Joel Cole, I think James spoke to Joel Cole much  
21 more frequently than I did. Joe handled the money for  
22 CBSG So James would talk with Joel Cole on a regular  
23 basis. I spoke to him maybe two or three times myself.

24 Q And what has been your role and responsibilities  
25 as CEO of the AGM funds?

1 Q Did you ever ask CBSG about their regulatory  
2 history?

3 A No, I didn't because I don't perceive them to be  
4 -- to have a regulatory industry. To be under the purvey  
5 of the SEC or FINRA.

6 Q Were you aware that in 2018 New Jersey and  
7 Pennsylvania each fined CBSG 499 thousand for selling  
8 unregistered securities by unregistered persons?

9 A After the fact I did, yeah.

10 Q How did you come to find out about this?

11 A So we were -- we received a letter from  
12 Pennsylvania asking us to give them information about any  
13 business that we had done in Pennsylvania. We had no  
14 clients in Pennsylvania that had been invested at that  
15 time. But now all of a sudden, you know, it was what the  
16 heck is this, and we started to dig in and we in fact  
17 found what you just said.

18 Q When you say we who exactly are you referring  
19 to? Who received the letter from Pennsylvania?

20 A I did.

21 Q And was that letter addressed to you, to A.G.  
22 Morgan?

23 A Both.

24 Q To both. What did you do after you found out  
25 this information?

1           A     Well, I wasn't concerned about it because if you  
2     read the document what it shows is that individual  
3     investors were investing directly with Par, and Par's  
4     position was that it was a promissory note, they were  
5     borrowing money, they were lending money. Apparently  
6     Pennsylvania perceived that it was a securities  
7     transaction. So that was resolved by Par only taking  
8     money going forward from funds, so in my perception they  
9     corrected the problem that they had because they were  
10    taking individual clients money and, you know, giving them  
11    a direct agreement with them. And apparently according to  
12    the rules you have to do it by creating a fund and then  
13    that fund can invest with CBSG. We do it the right way so  
14    it wasn't an issue for us.

15           Q     How did you come to that understanding that by  
16    doing it through the funds that it would not be an issue?  
17    Was this through a discussion with CBSG or with counsel?

18           A     With Eric Weingold. Eventually we called Eric,  
19    our attorney, and he said no, this is of course perfectly  
20    legal, we wouldn't have done it if it was not legal, this  
21    is the way it has to be done and this is the way we're  
22    doing it. You guys are fine. This is what Par had done  
23    in the past that they corrected what they had done.

24           Q     Did you disclose to AGM fund investors this  
25    information about, or disclose to them the regulatory

1 Q Individual Ella Sabbagh, S-A-B-B-A-G-H, listed  
2 on Exhibit A-27, how long has Ms. Sabbagh been a client of  
3 A.G. Morgan?

4 A A number of years.

5 Q More than ten?

6 A No.

7 Q What's her investor experience like?

8 A Well, she's been investing for a very long time.

9 I guess, you know, her whole life, probably 40 years.

10 Q Is she a senior citizen?

11 A She is.

12 Q Would you consider her to be an accredited  
13 investor?

14 A She is not.

15 Q What her investment acumen like?

16 A Well, she understands investing, she has  
17 hundreds of thousands of dollars, she's invested for as I  
18 said before her whole life.

19 Q And as a client of A.G. Morgan what is your  
20 understanding of her investment objectives and goals?

21 A Income.

22 Q Was she already retired by the time she became a  
23 client of A.G. Morgan?

24 A I believe so.

25 Q Did you solicit her to invest in CBSG?



1           A     Yes, she has money invested in -- at CBSG, yes.

2           Q     How did it come about for her to initially  
3 invest in CBSG?

4           A     You know, a meeting together where we decided to  
5 invest.

6           Q     Did you initiate that meeting?

7           A     Well, one of our normal, you know, service  
8 meetings.

9           Q     When you say our, who are you referring to?

10          A     Our firm.

11          Q     Did anyone other than yourself service her  
12 account?

13          A     You mean any other advisor?

14          Q     Anyone else at A.G. Morgan.

15          A     Yeah, I mean a client is supported by everyone  
16 that works here. Is that what you're asking?

17          Q     I guess specifically with regard to any  
18 recommendation to invest in CBSG, do you know who made  
19 that initial recommendation to Ms. Sabbagh?

20          A     I couldn't tell you off the top of my head, you  
21 know, so many clients.

22          Q     But it could have been you?

23          A     Oh yeah, uh-huh.

24          Q     And whether Ms. Sabbagh or any client that you  
25 have recommended to invest in CBSG did you make any

1 UNITED STATES SECURITIES AND EXCHANGE

2 REPORTER'S CERTIFICATE

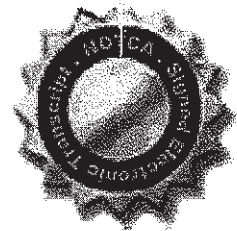
3  
4 I, MICHELLE R. PAYNE, Reporter, hereby certify that  
5 the foregoing transcript of 124 pages (March 10, 2021) is  
6 a complete, true, and accurate transcript of the testimony  
7 indicated held on March 10, 2021 at 9:30 a.m. in the  
8 matter of: A.G. MORGAN FINANCIAL ADVISORS, LLC.

9 I further certify that this proceeding was recorded  
10 by me, and that the foregoing transcript was prepared  
11 under my direction.

12 Date: March 20, 2021

13 Official Reporter: Michelle R. Payne  
14 Diversified Reporting Services, Inc.

15  
16   
17 MICHELLE PAYNE, Court Reporter



18 Notary Public-State of Florida  
19 Commission No. GG137749  
20 Expires: September 28, 2021  
21 Transmittal Number: 316096  
22  
23  
24  
25